

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: First Homes Position Statement

Meeting/Date: Cabinet
20th June 2023

Executive Portfolio: Cllr S. Wakeford, Executive Councillor for Jobs,
Economy & Housing

Report by: Regeneration and Housing Delivery Manager

Ward(s) affected: All

Executive Summary:

This report provides detail on First Homes affordable housing product and the Council's position when a development proposal includes this form of affordable tenure.

Recommendation(s):

Cabinet is requested to:

- Note the contents of this report and;
- Agree the First Homes Position Statement.

PURPOSE OF THE REPORT

- 1.1 To provide information on First Homes and the Council's position when a development proposal includes this form of affordable housing.

BACKGROUND

- 1.2 On the 24 May 2021, the Government published a Written Ministerial Statement (WMS) and Planning Practice Guidance (PPG) setting out national planning policy for a new affordable housing product called First Homes.
- 1.3 This Interim Planning Policy Statement, the WMS and PPG set out the potential for First Homes to be provided through the planning system from 28 June 2021, before becoming a requirement for all planning applications from 28 December 2021.
- 1.4 First Homes are a form of discounted market sale housing and fall within the definition of affordable housing contained in appendix A of the National Planning Policy Framework (NPPF). These documents suggest First Homes could be provided and comprise at least 25% of all affordable housing units delivered by developers as part of planning obligations (Section 106 Agreements).
- 1.5 First Homes are specific discounted market sale housing and should be considered to meet the definition of 'affordable housing' for planning purposes. Specifically, First Homes are discounted market sale units which:
 - a) must be discounted by a minimum of 30% against the market value;
 - b) are sold to a person or persons meeting the First Homes eligibility criteria (as set out in the PPG);
 - c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,
 - d) after the discount has been applied, the first sale must be at a price no higher than £250,000.
- 1.6 The WMS and PPG identify a range of additional local criteria that can be applied to First Homes. Huntingdonshire District Council (HDC) are intending to use additional local criteria to support the delivery of rented accommodation in the District following the publication of the G L Hearn Housing Needs of Specific Groups Report (HNSG) in October 2021, which identified the high requirement for rented housing in the district.
- 1.7 The WMS and PPG also allows local authorities to apply local connection criteria to First Homes without the need to provide supporting evidence. This is because First Homes are intended to allow people to get on the housing ladder in their local area. The local connection criteria that will

apply to First Homes sold in Huntingdonshire is set out in the First Homes Position Statement in Appendix 1. The local connection criteria will apply via a Section 106 Agreement upon the first and every successive sale of a First Homes, although the criteria will be lifted after three months from when the home is first marketed if the home has not been reserved or sold. If a suitable buyer has not reserved a home after 3 months, the eligibility criteria (including income caps) will revert to the national criteria set out in the PPG, to widen the consumer base.

- 1.8 The Council's adopted planning policy for affordable housing in Huntingdonshire is set out in Section 7 Strengthening Communities of the Local Plan to 2036, specifically, Policy LP 24 Affordable Housing Provision.
- 1.9 The Council has received guidance from DLUHC that states that where is an adopted Local Plan, Council's would not need to consider the First Homes Product until the plan is reviewed. However, they have also advised that they feel that it would be sensible to provide guidance on how the Council will treat applications that include the First Home Product.
- 1.10 In Huntingdonshire's Local Plan to 2036 the policy requires that 70% of all affordable housing should be of rented tenure (social or affordable). To assist with viability, specific proportions of social rent and affordable rent are not set out within this percentage. The remaining 30% should be for "other affordable tenures", usually the Shared Ownership product.
- 1.11 In considering the Council's approach to First Homes Officers have referred to the independently assessed HNSG research which considers need in a local (Huntingdonshire) context, it states that the national target is not appropriate as there is a high demand for rented housing in the district.
- 1.12 Therefore, where developers include First Homes as part of the requirement to deliver affordable housing, the Council will on an exceptional basis consider delivering a proportion of First Homes as part of its "other affordable tenures"; there would still be a preference for other affordable tenures to be Shared Ownership for affordability reasons.
- 1.13 The tenure requested/preferred would therefore remain as LP24 (and as below) since the HNSG justifies this approach:

70% Social or Affordable Rent
30% Other Affordable Tenures (including exceptionally, First Homes)
- 1.14 This tenure split (above) when combined with a 60% market housing requirement (as set out in Local Plan policy LP 24 Affordable Housing provision) would result in 10% of the total housing tenure mix being available for affordable home ownership. Therefore, any proposed development that applies Local Plan Policy LP 24 alongside the affordable housing tenure split (above) will meet the requirements of paragraph 65 of the NPPF 2021, which asks that at least 10% of the total number of homes on major development sites should be available for affordable home ownership.

COMMENTS OF OVERVIEW & SCRUTINY

- 2.1 The Panel discussed the First Homes Statement Report at its meeting on 7th June 2023.
- 2.2 Following a question from Councillor Pickering, the Panel heard that self-employed residents would be classified the same as employed residents in respect of meeting employment within the district criteria.
- 2.3 Councillor Blackwell expressed concerns that by including siblings within the criteria, the scheme would be subject to abuse. The Panel were advised that a sibling connection had been retained within the scheme in line with LGA guidance however the could be reflected upon.
- 2.4 The Panel were assured, following a question from Councillor Howell, that once identified as a First Home, a restriction would be placed with the Land Registry to ensure that this status remained in perpetuity.
- 2.5 It was clarified to the Panel, following a question from Councillor Harvey, that the reference to a connection with older children within the report was not intended to exclude a connection with younger children.
- 2.6 In response to a question from Councillor Martin, it was confirmed to the Panel that those who are employees of a Huntingdonshire business but that work from home, would satisfy the employment connection.
- 2.7 Following the discussion, the Panel were informed that their comments would be added to the Cabinet report in order for Cabinet to make a decision on the recommendations.

KEY IMPACTS / RISKS

- 3.1 The Council could choose not to establish a position statement in relation to First Homes, however it is prudent for the Council to confirm how we would treat this form of Affordable Housing on any sites brought forward by Developers prior to the review of the Local Plan.

LINK TO THE CORPORATE PLAN OBJECTIVES

- 4.1 The completion of a First Homes Position Statement aligns to Huntingdonshire District Council's Corporate Plan under the Priority – "In creating a better Huntingdonshire for future generations", under the outcome of Improving Housing.

LEGAL IMPLICATIONS

- 5.1 The Council has sought guidance from DLUHC, and this position statement has been reviewed by senior officers in housing and planning.

RESOURCE IMPLICATIONS

- 6.1 There will be no additional resource implications, Planning Applications

that include an element of First Homes will be treated in the same way as applications that include an element of affordable housing.

HEALTH IMPLICATIONS

- 7.1 Within the Health and Wellbeing Integrated Care Strategy, there is a priority of, *“Reducing poverty through better housing, employment and skills”* This Policy Statement looks to protect the delivery of social and affordable rented housing in the district, whilst also looking to deliver low cost home ownership options to those residents who can afford and aspire to home ownership.

ENVIRONMENT AND CLIMATE IMPLICATIONS

- 8.1 In February 2023 the Council formally approved the Council’s Climate Strategy this recognises that the current cost of living and climate crises require joint attention to support the wellbeing of residents and businesses. In passing this motion, the council committed to not only the delivery of a Climate Strategy but also that in making decisions it will wherever possible seek to contribute to positive environmental and social benefits. The delivery of good quality, secure accommodation for residents supports this ambition.

EQUALITIES

- 9.1 The Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 9.2 Good housing, including the protection of rented housing is likely to improve residents life chances, including health and wellbeing.

Appendix 1

First Homes Position Statement

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